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THIS IS UNEVALUATED INFORMATION

25X1 ERP Goods Offered to USIA

1. Representatives of Warenverkehrs-G.m.b.H., formerly Paurock & Muhm, Vienna I, Annagasse 3a, have advised USIA officials that they can supply a variety of ERP goods to USIA production administrations and that they are willing to accept payment in Belgian francs or to consider some sort of compensation agreement. At present Warenverkehrs-G.m.b.H. is offering to sell USIA the following quantities of ERP goods:

100 tons of ammonium alum

420 tons of metallic antimony

750 tons of powdered arsenic, 98.99-99.11 percent pure

675 tons of calcium arsenate

130 tons of blood albumen and plasma for industrial purposes.

3,100 tons of cadmium bars.

100 tons of various types of copper wire

770 tons of brass rods and scrap

800 tons of brass scrap

300 tons of brass shell scrap

1,000 tons of electrolytic copper wire and bars

1,000 tons of rotation paper, (Rotationspapier), fertilizer, and phosphate

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CLASSIFICATION

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Comments to the USSR

2. During the month of December 1949 the Soviet-controlled Vienna transport firm, Juschweschtrans, shipped an estimated 60 to 80 railroad cars loaded with machinery and equipment to the Soviet Union from DDSG warehouses. By the first of the year these dockside warehouses, which were rented some time ago by A/O Avtovelo, Automotive and Fine Mechanics Department of USIA, were practically empty.

Avtovelo Purchases

3. During the last quarter of 1949 the A/O Avtovelo Sales and Purchasing Office purchased 72 tons of band steel required to complete an order for 100 Diesel driven electric units, which the USSR-controlled Kronag A.G. and Steyr-Daimler-Puch A.G. received at the end of November 1949.
4. Recently, however, Soviet officials in A/O Avtovelo Department seem to have abandoned their previous practice of purchasing raw materials solely to fulfill specific production commitments and are now approving raw material purchases in anticipation of future orders. For example, the A/O Avtovelo Sales and Purchasing Office is now trying to procure 3,000 type 6312 and 6204 ball bearings for Steyr-Daimler-Puch A.G. This office has also been authorized to purchase 500 kilograms of leaf powder required by Hirtenberger Patronenfabrik for the manufacture of cartridges from Chemoluxpex, Budapest. *
5. The following are included among the more important purchases made by A/O Avtovelo's Sales and Purchasing Office during the past two weeks:
- 2,000,000 empty cartridges and 2,000,000 percussion caps purchased allegedly for bookkeeping reasons from Hirtenberger Patronenfabrik for what source term a ridiculously low price.
 - 500,000 Gillette razor blades also purchased for bookkeeping reasons from Auwerk Heidefelder Mahlwarenfabrik. The A/O Avtovelo Sales Office sold 300,000 of these razor blades to the Wojentorp firm in Wiener Neudorf.
 - 87 tons of spare parts purchased from Steyr-Daimler-Puch A.G. for a price estimated at one-fourth of the assessed book value. A/O Avtovelo is now trying to sell these parts for 70,000 schillings.
 - Austro Fiat's entire supply of spare parts for an obsolete type of MAN Diesel trucks. A/O Avtovelo proposes to sell these parts for 50,000 schillings.
 - One type GSA Teston model 2M apparatus for testing the resistance of metals, purchased from Otto Elpert-Werke G.m.b.H., Ludwigshafen, Germany for \$719.40. SPARTSEV, Deputy Director of USIA, provided the dollars required to pay for this purchase which was handled through Otto Bohmann & Co., Vienna IV, Argentinierstrasse. **
6. Dr. RIEDER of Ernst Gohsen, Import & Export, Vienna III, Link Wienzeile 4, allegedly acting on orders from Fritz LANDEL, has approached A/O Avtovelo regarding the purchase of six new machines from the Hirtenberger Patronenfabrik plant. In response to RIEDER's inquiry, PSHENICHNIKOV of A/O Avtovelo's Sales and Purchasing Office checked his records and found an order from the PSHENICHNIKOV, General Director of MIA directing that about 706 units of machinery in question be scrapped. Almost simultaneously PSHENICHNIKOV received an inquiry from KOZLYKO of USSR's Central Commercial Bureau regarding the disposition of this machinery. PSHENICHNIKOV referred KOZLYKO to PUNIN, chief bookkeeper of A/O Avtovelo. ***
7. Most of the firms administered by A/O Avtovelo Department are now working on the completion of outstanding Soviet orders. Austro-Fiat recently delivered 10 Plateauwagen to the Soviet Civil Administration and five to A/O Avtovelo's Sales and Purchasing Office. Recently, Peter Ginzler delivered 26 cases of tools to Juschweschtrans for shipment to the Soviet Union. Knechtner-Humboldt-Deutz has received a Soviet order for 3,000 type 6204 and the same amount of type 6312 ball bearings and other Soviet orders which will take the next six to nine months to complete.

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USIA's Central Commercial Bureau

8. MUST of USIA's Central Commercial Bureau recently admitted to officials of
25X1 A/O Avtovelo's Sales and Purchasing Office that his office's business is now
25X1 virtually at a standstill.

[redacted]
25X1 [redacted] Comment: Bohmann & Co. may have some connection with the firm of
25X1 Dipl.-Ing. Rudolf Bohmann, Industrie- und Fachverlag, Vienna I, Doblhoff-
gasse 5.

[redacted] Comment: RIEDER's approach to A/O Avtovelo on behalf of Fritz MANDL
25X1 seems to be a logical development following USIA's recent offer to rent
25X1 the Hirtenberger Patronenfabrik plant to Count George SCHOENBORN-BUCHHEIM.

[redacted] Comment: In this connection it should be noted that the A/O Avtovelo
Sales and Purchasing Office advanced 25,000 schillings to Hirtenberger
Patronenfabrik, which is in serious financial straits, to enable this firm
to pay its employees wages 30 December 1949.